

*Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.*

## Adopted Rules

### SPORTS WAGERING

The ILLINOIS GAMING BOARD adopted a new Part titled Sports Wagering (11 IAC 1900; 44 Ill Reg 84 and 2618), effective 6/4/20. This rule replaces a Part adopted by emergency rulemaking effective 12/19/19 and subsequent emergency amendments that were effective 2/26/20 and 3/9/20. It also consolidates two separately proposed permanent rulemakings. The rulemaking implements provisions of Public Act 101-31 (the Sports Wagering Act) and PA 101-597 which authorize betting on major league professional sports events and out of State collegiate sports events at IGB-licensed racetracks, riverboats and land-based casinos.

#### Licenses

The new Part establishes master sports wagering licenses for racetracks, casinos and other locations where wagering takes

### COVID-19 ACTIONS

Numerous Executive Orders and emergency rules have been issued in response to the COVID-19 pandemic. Executive Orders of the Governor concerning this pandemic can be accessed at <https://www2.illinois.gov/government/executive-orders>. Emergency rules adopted by State agencies will be summarized in The Flinn Report as they are published in the *Illinois Register*.

place; management services provider licenses; supplier licenses (for entities that supply sports wagering kiosks/terminals or other equipment); occupational licenses (for individual functions such as chief financial officer or IT manager); and tier 2 official league data provider licenses (for sports governing bodies or authorized vendors who provide the data

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## Proposed Rulemakings

### ■ ANHYDROUS AMMONIA

The DEPARTMENT OF AGRICULTURE proposed amendments to the Part titled Anhydrous Ammonia, Low Pressure Nitrogen Solutions, Equipment, Containers, and Storage Facilities (8 IAC 215; 44 Ill Reg 10292) requiring anhydrous ammonia releases equal to or exceeding 100 pounds or 18 gallons within a 24-hour period (reportable quantity) to be reported to local emergency responders and other local, State and federal authorities. The rulemaking also updates the DOA-approved training programs under which persons who handle, transfer, transport or apply anhydrous ammonia may become certified competent attendants. Grower training (currently voluntary) will be mandatory for farmers/growers and persons who

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**ADOPTED RULES:** Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.  
**PROPOSED RULES:** Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.  
**PEREMPTORY RULES:** Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.  
■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.  
**QUESTIONS/COMMENTS:** Submit mail, email or phone calls to the agency personnel listed below each summary.  
**RULE TEXT:** Available on the Secretary of State ([www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)) and General Assembly ([www.ilga.gov](http://www.ilga.gov)) websites under Illinois Register. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

# Adopted Rules

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necessary to place tier 2 bets). License terms are 1 year for occupational licenses, 3 years for tier 2 official league data providers, and 4 years for master sports wagering, supplier, and management services licenses. Initial licensing fees for master sports wagering licenses will equal at least 5% of gross receipts from the 2018 calendar year or the first year of operations (if not licensed prior to 6/28/19), up to a maximum of \$10 million. An applicant that has submitted a complete license application and paid the required fee may receive a temporary operating permit.

## Advertising

Sports wagering licensees may not advertise wagering to minors or to any audience where the majority of viewers/participants are presumed to be under 21. Advertising must also provide contact information for compulsive gamblers seeking help. Signage must be posted on the premises of each licensee with instructions on how to access the IGB self-exclusion program and advising patrons that they must be 21 or older.

## Prohibited Actions

Persons prohibited from wagering include those who are under 21 or are not physically located in Illinois at the time they place a wager; persons who have enrolled in the self-exclusion program; athletes, coaches, referees, trainers, and others who have access to non-public information regarding an

athlete or team; and key persons or employees of a master sports wagering licensee and their immediate family/household members. Wagers cannot be placed on minor league events, K-12 school sports events, or on collegiate events involving teams or individuals from Illinois, but wagers can be made on the final outcome of a collegiate tournament or series in which an Illinois participant is involved provided the wager is not on the Illinois participant. IGB also may prohibit certain types of wagering that would otherwise be permitted if it determines that such wagering is contrary to the public interest or affects the integrity of the sport or of the wagering industry. Requests to prohibit wagering or lift a wagering prohibition will be placed on the IGB website for public review and comment. Allegations of prohibited conduct may be reported anonymously to IGB on its website. If the IGB Administrator deems the allegations credible, the Administrator shall refer the allegations to an appropriate law enforcement agency. Credible allegations involving prohibited conduct by athletes shall be referred to the appropriate sports governing body.

## Placing/Redeeming Wagers

Wagers may be placed or redeemed at a window or counter staffed by a clerk, cashier or other employee of the licensee, or at a self-service kiosk. A kiosk must be supervised by an attendant at all times unless located inside the admission turnstiles of a gaming operation or organization gaming

facility. A kiosk cannot accept a wager of more than \$500 or redeem a wager of more than \$2,000 without an attendant's intervention. Sports facilities that hold master sports wagering licenses may conduct wagering only within a 5-block or 3,300-foot radius of the facility. Wagers must be made in U.S. currency and documented in the licensee's internal control system. If a wager is placed through a kiosk or cashier, the bettor shall be issued a ticket. Master sports wagering licensees shall redeem any winning ticket they have issued that has not expired (tickets expire 1 year after the conclusion of the event or series that was the subject of the wager). Any patron who wins \$2,000 or more must have his or her name checked against the self-exclusion list. Wagers may be cancelled or declared void under specified circumstances (e.g., a contest has been cancelled or a wager was placed with incorrect odds).

## Internet Wagering

Online wagering shall only be conducted between a master sports wagering licensee and a patron with a sports wagering account. This type of wagering must occur within 3,300 feet of the property on which the relevant sports facility is located. Master sports wagering licensees must create electronic files and accounts for each internet wagering patron and verify their identities. An account may be suspended if it has a negative

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# Proposed Rulemakings

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handle anhydrous ammonia or maintain equipment for growers, including grower family members, full- or part-time hired help, and others who provide these services at no fee. Competent attendant training may be attendance-based or completed online. Certification of competent attendants based on online training is valid for 90 days and cannot be renewed, while certification based on in-person training is valid for 3 years and is renewable with refresher training. Persons or entities that conduct 90-day online certified competent attendant training must submit to DOA a roster of the individuals trained that includes their company names, home addresses, company addresses and date of training. These programs shall be reapproved by DOA every 3 years. For growers/farm operators, certified grower training in the properties of ammonia, safe operating practices, and appropriate emergency actions shall be offered at no cost via an attendance-based or online program approved by DOA. Grower certification will be valid for 3 years based on either in-person or online training. Other provisions impose a 25 mph speed limit on tanks being transported on public roads, update requirements for safety equipment and testing of tanks, update incorporated federal regulations, and establish DOA's right to withdraw approval of new technologies/methods of securing hoses based on observed non-performance. Those affected by

## ■ EMERGENCY MANAGEMENT

The ILLINOIS EMERGENCY MANAGEMENT AGENCY adopted emergency amendments to the Part titled Political Subdivision Emergency Services and Disaster Agencies (29 IAC 301; 44 Ill Reg 10814) effective 6/8/20 for a maximum of 150 days. Companion proposed amendments appear in this week's *Illinois Register* at 44 Ill Reg 10333. The emergency rules authorize IEMA to waive requirements of the Part when requested by local Emergency Services and Disaster Agencies (ESDAs) or on its own initiative, provided these waivers are authorized by law and will not result in undue hazard to public health, safety or property. Local ESDAs seeking waivers from the requirement to conduct a disaster response exercise once every 4 years must submit documentation supporting the waiver to IEMA at least 60 days prior to submitting an application for accreditation or certification. Waiver applications from mandated ESDAs (those that must be established under the Illinois Emergency Management Agency Act, e.g., county or multi-county ESDAs) and non-

this rulemaking include farmers/growers and agricultural equipment/service businesses that sell, deliver or apply anhydrous ammonia.

## Emergency Rule

mandated accredited ESDAs will be evaluated by the IEMA State Exercise Officer and the respective Regional Coordinator. Waiver applications from non-mandated, unaccredited ESDAs shall be evaluated by the county. All waiver requests will be evaluated based on criteria established by the Federal Emergency Management Agency and all approvals documented in writing. The emergency rule also allows existing ESDA accreditations to be extended up to 2 years beyond the currently established 2-year term (for a total accreditation term of 4 years). The proposed rulemaking, in addition to the provisions contained in the emergency rule, clarifies that non-mandated ESDAs are ordinarily required to conduct exercises in accordance with the requirements of this Part. Small municipalities that have established non-mandated ESDAs may be affected by this emergency and proposed rule.

*Questions/requests for copies/ comments on the proposed rulemaking through 8/3/20: Traci Burton, IEMA, 1035 Outer Park Drive, Springfield IL 62704, 217/785-9860.*

*Questions/requests for copies/ comments through 8/3/20: Pamela Harmon, DOA, State Fairgrounds, PO Box 19281, Springfield IL 62794-9281, 217/524-6905, fax 217/785-4505.*

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# Adopted Rules

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balance, if the patron is prohibited from placing wagers, or if the licensee has reason to suspect that the patron is engaging in illegal or suspicious activity. Patrons may voluntarily impose wagering limitations or restrictions on their accounts for no less than 72 hours and no more than 1 year.

## Tier 2 Wagering

Tier 2 wagering includes any form of betting other than tier 1 (bets placed in advance of an event solely on its final score or outcome), including bets placed during an event or on aspects of a team's or individual's performance. Wagers on the individual performance of a minor or on the injury of a competitor are prohibited. Sports governing bodies may supply official league data to licensees under a tier 2 official league data provider license, which can be held either by the governing body itself or by an authorized vendor. League data must be provided under "commercially reasonable" terms. A licensee that believes a league data provider is not operating under commercially reasonable terms may petition IGB for a hearing on the issue.

## Licensee Requirements

All licensees are required to comply with federal, State and local laws; disclose all ownership interests to IGB; cooperate with Board investigations; and conduct themselves in a manner that does not endanger public health, safety, morals, and order, or discredit the gaming industry or the State.

Licensees and key persons with significant control or influence over the licensee must promptly report to IGB any changes in the identity of key persons and any information, action or occurrence that may affect the conduct of wagering or the business/financial interests involved, including arrests or criminal charges that would have required disclosure at the time of license application. Other actions must be reported within 30 days. The new Part outlines the qualifications and duties of each type of licensee; for master sports wagering licensees, these duties include reporting to IGB any abnormal wagering activity or conduct that calls into question the integrity of a sports event. Grounds for disciplinary action against a licensee include employing, associating with, or participating in any enterprise with identifiable organized crime groups or figures, persons who have extensive police records, or persons of "notorious or unsavory reputation". Based on investigative findings, IGB may order licensees to economically disassociate from key persons or persons holding ownership interests. An affected licensee may contest such an order and request a hearing before a final order is made.

## Competitive Applications

Master sports wagering license applicants may apply online. The application period for competitive selection must begin no later than 420 days (14 months) after the first license is issued under the Sports Wagering Act and must continue for 120 days. Information to be

submitted during this process includes fingerprints and criminal histories for all key persons (e.g., owners, managers) working for the license applicant. After the application period closes, qualified applicants shall be publically announced; within 90 days after the announcement, 3 winning applicants will be chosen. Another application period may be opened if fewer than 3 applicants are awarded licenses during the first period. A master sports wagering licensee must be in compliance with the Act and this Part before it begins accepting wagers. The Administrator has authority to suspend any licensee's wagering operations if he or she determines the operation is a threat to the safety or health of patrons or employees, or poses a "significant, imminent danger to the integrity of sports wagering in Illinois".

## Self-Exclusion

The Self-Exclusion List established by IGB in 86 IAC 3000 for riverboat and casino gambling may also be used by problem gamblers to exclude themselves from sports wagering. The confidential list may only be distributed to master sports wagering licensees and may not be disclosed to any third party unless authorized by rule or required under a court order. Licensees may not accept wagers or redeem tickets from anyone on the Self-Exclusion List, nor may they send marketing or promotional materials to these persons.

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# Proposed Rulemakings

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## CHILD SUPPORT

The DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES proposed amendments to Child Support Services (89 IAC 160; 44 Ill Reg 10350) reflecting Public Act 101-336. The rulemaking provides that interest on child support obligations may be collected by any means available under federal or State law, rules and regulations (currently, under State law for collection of child support judgments). It also allows custodial parents who are not receiving public assistance to request that HFS calculate and enforce interest on an unadjudicated child support obligation (in which a court has not determined the amount of interest to be paid). Effective 1/1/21, custodial parents may, on a one-time basis, request this service from HFS in writing provided that the children affected by the support case are no longer minors; there is no outstanding balance for current support; at least \$500 in interest on past obligations is due to the custodial parent; and HFS receives the request within 1 year after the requestor meets these criteria. Also effective 1/1/21, HFS will enforce adjudicated interest orders obtained by a custodial or non-custodial parent or his/her attorney and will keep records of total unpaid child support balances in its certified computer system. The balance on record will be presumed correct and used to calculate interest; an individual who disputes this amount must

demonstrate, by a preponderance of the evidence, that it is incorrect.

*Questions/requests for copies/ comments through 8/3/20: Steffanie Garrett, HFS, 201 S. Grand Ave. East, 3<sup>rd</sup> Fl., Springfield IL 62763-0002, [HFS.Rules@illinois.gov](mailto:HFS.Rules@illinois.gov)*

## SCHOOLS

The STATE BOARD OF EDUCATION proposed an amendment to Public Schools Evaluation, Recognition and Supervision (23 IAC 1; 44 Ill Reg 10322) aligning the Part with Public Act 100-1046. The rulemaking expands the Statewide survey of learning conditions to include teachers and students in grades 4 through 12 (currently, 6 through 12), requires that it be administered annually (currently, the survey is required only every 2 years) and allows entities other than school districts (e.g., special education cooperatives, regional programs, lab schools) to participate in the survey if they choose. School districts must administer the surveys no sooner than 100 days after the start of the school year (currently, Jan. 1) and no later than March 31. By July 1 (currently, Sept. 1) each year, SBE must post on its website the survey that will be used for the upcoming school year and set the dates for its administration. Districts that wish to use approved alternate surveys must request SBE permission no later than Sept. 15 (currently, Aug. 1); districts that use an alternate survey have until May 31 to submit survey data.

*Questions/requests for copies/ comments through 8/3/20: Azita Kakvand, SBE, 100 N. First St., Springfield IL 62777-0001, 217/782-6510.*

## ■ CANNABIS BUSINESSES

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION proposed a new Part titled Cannabis Regulation and Tax Act (68 IAC 1291; 44 Ill Reg 10343) to replace a Part adopted by an emergency rule that expired on 6/5/20. The rule implements provisions of Public Act 101-27 with regard to multiple applicants for available cannabis dispensary licenses in the same region receiving the same application score. A tied applicant organization will be eliminated from consideration if it shares principal officers with other tied applicants. If two or more eligible applicants remain, DFPR will hold a random drawing to determine which applicants will have first, second, etc. right to the available licenses. Unsuccessful applicants who contest the Department's decision are not entitled to an administrative hearing but may seek judicial review of the denial. Applicants for cannabis dispensary licenses may be affected.

*Questions/requests for copies/ comments through 8/3/20: Craig Cellini, DFPR, 320 W. Washington St., 3<sup>rd</sup> Fl., Springfield IL 62786, 217/785-0813, fax 217/557-4451.*

# Adopted Rules

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## Other Provisions

Other provisions address information to be included in license applications and ownership records; license renewal, withdrawal of applications and surrender of licenses; ownership transfers; conduct of hearings and disciplinary proceedings; financial and statistical records to be kept and reported either quarterly or annually; annual and special audits; payment of wagering taxes (15% of adjusted gross wagering receipts, plus an additional 2% in Cook County); surveillance and security requirements; and testing, certification and minimum technical requirements of wagering equipment.

*Questions/requests for copies: Agostino Lorenzini, IGB, 160 N. La Salle St., Chicago IL 60601, [IGB.RuleComments@igb.illinois.gov](mailto:IGB.RuleComments@igb.illinois.gov)*

## ■ CANNABIS CULTIVATION

The DEPARTMENT OF AGRICULTURE adopted a new Part titled Cannabis Regulation and Tax Act (8 IAC 1300; 44 Ill Reg 3586), effective 6/3/20, implementing the Act by establishing licensing and regulatory standards for cultivators, infusers, and transporters of adult use cannabis and establishing a Community College Cannabis Vocational Pilot Program. This rule replaces a companion emergency rule that was effective 1/1/20.

## Licenses

The new Part establishes procedures for newly established cultivation centers, craft growers (cultivation facilities with less than 5,000 square feet devoted to cultivation), infuser organizations, and transporters to submit license applications during application periods announced by DOA. All license applications must include a detailed description of the facility and its inventory, processing and packaging plans; its proposed operation and management practices; required financial disclosures; and the details of any administrative or judicial proceeding that resulted in any principal officers or board members of the facility being convicted of or pleading guilty to a criminal offense, or having a registration or license suspended or revoked. The applicant must also provide a plan of action for recruiting and hiring minorities, women, veterans and persons with disabilities and, if applicable, evidence of status as a social equity applicant. Employees, agents, principal officers and board members must complete fingerprint background checks and receive identification cards (application fee is \$100). The rule also includes numerous specifications for facility production and operations; equipment and facilities; recordkeeping and inventory; product testing, packaging and labeling; security (including 24-hour video surveillance); and disposal/destruction of cannabis waste. Approved pesticides, herbicides, insecticides/repellents

and fungicides for use on cannabis plants are listed in the rule.

## Fees

Cultivation centers that receive a conditional license become eligible to receive an adult use cultivation center license after undergoing a DOA inspection and paying a licensing fee of \$100,000. These licenses must be renewed annually with a renewal fee of \$100,000. Substantial modifications or alterations to a cultivation or infuser facility must be approved by DOA with fees of \$1,000 to \$5,000 based on the extent of the modifications. Each product offered for sale by any cannabis business must also be registered by name with DOA for a \$100 fee.

## Selection Criteria

All license applicants will be evaluated on a point system with points awarded for facility suitability, employee training and security plans, cultivation plans, product safety and labeling, business plans and services offered, social equity applicant status, labor and employment practices, environmental plans, majority ownership by Illinois residents, and a diversity plan. Bonus points will be awarded for inclusion of an incubator program, substance abuse prevention plan, and education plan for children and teens concerning the potential harms of cannabis use. In the event two or more applicants receive tied scores, remaining available licenses shall be distributed via a random drawing.

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# Adopted Rules

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## Craft Growers

Craft grower licensees will be charged a prorated licensing fee of \$40,000 upon initial licensing and upon each annual license renewal. DOA may permit craft growing facilities to expand in 3,000-square-foot increments up to a maximum of 14,000 square feet of growing space. Craft growers may share premises with an infuser or a dispensing organization provided each licensee stores all its cannabis products and currency separately from the other licensees and does not allow the other licensees access to those items. Craft growers must be located at least 1,500 feet away from another craft grower or cultivation center.

## Early Approval

Medical cannabis cultivation centers already licensed under the Compassionate Use of Medical Cannabis Pilot Program Act may obtain early approval licenses. An application fee of \$100,000 and a business development fee of \$250,000 to \$750,000 are required with the application. Applicants must also agree to complete a social equity inclusion plan (i.e., a direct monetary contribution to cannabis business development or job training, or participation/financial investment in a cannabis business incubator program) before the early approval license expires. All early approval licenses expire 3/31/21 and may be renewed (with an additional renewal fee of \$100,000) until 3/31/22. After that date, early

approval license holders must apply for regular adult use cultivation center licenses.

## Infusers

DOA will also license infuser organizations that directly incorporate cannabis or cannabis concentrate into other products (e.g., baked goods, oils). Infuser organizations and cultivation centers that produce edible products must comply with Department of Public Health rules for food handling and sanitation. Infuser license applications must be accompanied by a \$5,000 application fee and must contain the same information regarding operations, disclosures, social equity status, etc., as applications for cultivation licenses. The initial licensing fee and the annual renewal fee is \$20,000.

## Vocational Program

Illinois community colleges may apply to participate in the Cannabis Vocational Pilot Program until 7/1/20. Applications will be evaluated with points awarded for faculty experience and credentials; security plan; curriculum plan; career advising and job placement plan; and the percentage of low-income students enrolled at the college. Program licenses are valid for 1 year and may be renewed for a \$50 fee. Community colleges that receive Vocational Pilot Program licensure may begin awarding Career in Cannabis Certificates to qualifying students in the 2021-2022 academic year. The certificate program must include courses that allow students to

study, work with, and grow live cannabis plants and that instruct students in best business practices, professional responsibility, and legal compliance. Vocational program licensees may not keep more than 50 flowering cannabis plants at one time and their employees and agents must complete fingerprint background checks.

## Social Equity Applicants

License applicants with majority ownership by one or more persons who meet any of the following criteria are considered Social Equity Applicants:

- was arrested for or convicted of a cannabis-related offense that is now eligible for expungement;
- was the spouse, parent or dependent child of a person arrested/convicted of a cannabis-related offense now eligible for expungement; or

- is a resident of a disproportionately impacted area with a high rate of arrests or convictions for cannabis-related offenses under previous laws.

A license applicant with 10 or more employees also qualifies for social equity status if at least 51% of its employees were arrested/convicted of cannabis offenses eligible for expungement or live in a disproportionately impacted area. (Social equity applicants are eligible for low-interest loans and other forms of assistance to start and grow their cannabis businesses.)

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# Adopted Rules

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## Transportation

Craft growers and infusers who do not also have a transport organization license may only transport their products to other cannabis businesses within a specified radius (2,000 feet in Cook County, 2 miles in DuPage and Lake counties, 15 miles in all other counties). Beginning 7/1/20, cultivation centers must also obtain transporter licenses in order to transport cannabis to other cannabis businesses. License applications will be accepted annually from 2/15 through 3/15. Application fee is \$5,000 and the annual licensing fee is \$10,000. Transporters may not use commercial motor vehicles weighing more than 10,000 pounds and only persons registered with DOA as transporter agents are permitted in vehicles transporting cannabis or cannabis products. Vehicles cannot contain any identifying markings or logos that bear the business name or that indicate the vehicle contains cannabis.

## Disciplinary Action

DOA may suspend or revoke licenses and agent identification cards for failure to comply with any provision of the Act or this Part; failure to comply with special conditions of the license/ID card; failure to file tax returns or pay taxes/penalties due; or failure to properly keep books and records. Fines of up to \$10,000 for transporters and infusers, \$15,000 for craft growers, and \$50,000 for cultivation centers may be

imposed for each violation. However, the fine will be reduced to no more than \$2,000 if the licensee notifies DOA of the violation, initiates an investigation and cooperates fully with DOA during the investigation. Licenses or ID cards may be suspended immediately without a hearing if DOA determines that this action is necessary to protect the public interest, safety or welfare, but a hearing must be held within 30 days after this suspension.

*Questions/requests for copies: Albert A. Coll, DOA, State Fairgrounds, PO Box 19281, Springfield IL 62794-9281, 217/782-5051, fax 217/785-4505.*

## ■ CANNABIS TAXES

The DEPARTMENT OF REVENUE adopted new Parts titled Cannabis Cultivation Privilege Tax (86 IAC 422; 44 Ill Reg 2624), Cannabis Purchaser Excise Tax (86 IAC 423; 44 Ill Reg 2643), County Cannabis Retailers' Occupation Tax (86 IAC 424; 44 Ill Reg 2669), and Municipal Cannabis Retailer's Occupation Tax (86 IAC 425; 44 Ill Reg 2682) and adopted amendments to Medical Cannabis Cultivation Privilege Tax Law (86 IAC 429; 44 Ill Reg 2695) all effective 6/2/20. These rulemakings implement various tax provisions of Public Act 101-27. The Part 422 and 423 rulemakings replace emergency rules that were effective 12/27/19. The new Part 422 imposes a tax of 7% of gross receipts upon the initial sale of cannabis by cultivation centers and craft

growers to other cannabis business establishments. Part 423 imposes sales taxes of 10% of the purchase price upon cannabis with a THC level at or below 35%; 20% of the purchase price upon cannabis-infused products; and 25% of the purchase price upon cannabis with THC levels above 35%. Part 424 permits counties to impose additional taxes, not to exceed 3% of gross sales within municipalities and 3.75% of gross sales in unincorporated areas, upon businesses selling non-medical cannabis. Part 425 permits municipalities to impose their own taxes of up to 3% of gross sales upon businesses selling non-medical cannabis. Taxes imposed under Parts 424 and 425 must be set in increments of 0.25%. Amendments to Part 429 update references to the Compassionate Use of Medical Cannabis Program (formerly "Pilot" Program) and the Cannabis Control Act (formerly the Medical Cannabis Control Act). This rulemaking also updates the information required on applications for registration as a medical cannabis cultivation center; provides that registration lasts 1 year (formerly 5 years) and is renewed automatically unless DOR refuses renewal; and states that registration renewal may be refused if any owner, partner, officer or other significant figure in a medical cannabis cultivation business is in default on any tax payments due to the State. Taxes due under the Cannabis Regulation and Tax Act for adult

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## Adopted Rules

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use non-medical cannabis may be filed on the same return as taxes due under the medical cannabis program. Penalties of \$1,000 for the first violation and \$3,000 for each subsequent violation may be imposed for failure to keep required books and records or make them available for inspection by DOR. Cannabis cultivation centers, craft growers, and dispensaries are affected by these rulemakings.

*Questions/requests for copies of the 5 DOR rulemakings: Richard S. Wolters, DOR, 101 W. Jefferson St., Springfield IL 62794, 217/782-2844.*

## JCAR Meeting Action

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At its 6/16/20 meeting, the Joint Committee on Administrative Rules approved the following actions.

### OBJECTION

JCAR objected to the Department of Children and Family Services' emergency amendments adopted on June 12, 2020 to emergency rules titled Licensing Standards for Day Care Homes (89 IAC 406; 44 Ill Reg 10161), Licensing Standards for Day Care Centers (89 IAC 407; 44 Ill Reg 10170), and Licensing Standards for Group Day Care Homes (89 IAC 408; 44 Ill Reg 10184). These emergency amendments require licensees to follow policy the agency is establishing outside of rule if they choose to reopen after their COVID-19 closure. These emergency amendments subject these day care licensees to guidance published by DCFS on its website that has not been adopted as rule. The Illinois Administrative Procedure Act requires any policy affecting persons outside an agency to be adopted as rule, unless clearly and completely established by statute. Guidance established outside of rule does

## Second Notices

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The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. These rulemakings will be considered at the July 14, 2020 JCAR meeting. Other items not published in the *Illinois Register* or The Flinn Report may also be considered. Further comments concerning these rulemakings should be addressed to JCAR using the contact information on page 1.

### DEPT OF HEALTHCARE AND FAMILY SERVICES

Medical Payment (89 IAC 140; 44 Ill Reg 4288) proposed 3/20/20

### DEPT OF INSURANCE

Prior Notification of Dividends or Distributions (50 IAC 1305; 44 Ill Reg 3039) proposed 2/21/20

not have the force of law and cannot be required or enforced in the same manner. (*NOTE: The emergency amendments to emergency rules that are the subject of this Objection will appear in next week's Illinois Register and Flinn Report. They amend DCFS emergency rules that were effective 5/29/20 and were published in the 6/12/20 Register.*)

### POSTPONEMENT

JCAR postponed action on the Department of Financial and Professional Regulation rulemaking titled The Illinois Speech-Language Pathology and Audiology Act (68 IAC 1465; 44 Ill Reg 55), which is currently on extended Second Notice, until the July 14 meeting.